

Reichhold Chemicals, Inc.

3320 Lincoln Avenue
Tacoma, Washington 98421

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**"RCRA/TSCA"
"Permits Team"
REICHHOLD**

December 9, 1996

Ms. Robbie Hedeem
Office of Waste and Chemicals Management
U.S. EPA, Region 10
1200 Sixth Avenue
Seattle, Washington 98101

Dear Ms. Hedeem:

This letter is in response to your letter dated November 8, 1996, regarding the Reichhold Chemicals Inc. (RCI) Tacoma facility. In your letter, you requested information regarding land use on the RCI property in order to evaluate whether or not an EPA-initiated permit modification is warranted at this time. The requested information is provided below and in the attached items.

It should be noted, that regardless of this particular issue, the RCI permit is approaching the time of permit renewal. We would hope that should you have any outstanding concerns after reviewing the provided material they could be resolved by other means during the brief remaining life of this permit. Given the corrective action and closure activities currently in progress at the site, we feel that it would be more efficient and appropriate to complete permit renewal on schedule, when a number of these projects, which will dramatically affect the permit, will have been completed.

Each item requested in your letter is addressed in a separate section below.

1. A description of all leasing activities conducted at the Reichhold Tacoma Facility.

At this time two tenants are using property at the RCI Tacoma facility.

Lynden Transport stores their "summer fleet" of semi trailers on a 1-acre parcel to the northeast of Unit 51. The number of trailers varies, but tends to be higher in the winter, when fewer of their vehicles are in use in Alaska. These vehicles do not drive about the cover area, rather they are brought onsite for storage only. Only empty trailers are allowed. The lease agreement stipulates limited uses of the leased area. Attachment 1 is an excerpt from the lease, restricting the tenant to storing only *empty* trailers and requiring RCI pre-approval of other types of activities. The lease also specifically prohibits interfering with any of the activities being conducted onsite. Further, the lease requires compliance with any applicable statues, orders, rules and regulations. The area where the tenant is authorized to store trailers is shown in Figure 1.

Weyerhaeuser and Reichhold have an easement agreement concerning the western corner of the property where the scale houses are located. This area is shown on Figure 1. Their sole

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activity is log scaling (measuring and calculating the board feet of lumber). The agreement with Weyerhaeuser stipulates that any improvements or alterations to the property require Reichhold pre-approval and it specifically prohibits interfering with any of the activities being conducted in accordance with the RCRA permit. Further, the easement agreement requires compliance with any applicable statutes, orders, rules and regulations. A copy of the portions of the easement agreement described is provided in Attachment 2.

2. A map indicating the locations of these activities, the hazardous waste management units, and ongoing corrective actions.

Figure 1, referenced above, includes the leased areas and the hazardous waste management units. Figures 2 through 5 show the locations of the ongoing corrective actions. Figure 2 includes the cover systems, the shallow interceptor drain (SID), and the extraction wells. Figures 3, 4, and 5 include the corrective action monitoring wells.

3. A description of security and/or preparedness and prevention plans in place to prevent exposure to lessees or other parties.

Exposure to lessees and other parties is prevented by a number of measures. These measures are detailed in several plans. Security and Preparedness and Prevention Plans are attachments to the RCRA Permit. These plans have been updated since the termination of manufacturing onsite. The most recent copies of these plans are provided as Attachment 3 and 4, respectively. In addition, the most current Contingency Plan is also provided, as Attachment 5. These plans are stamped "draft" as RCI is planning on submitting to EPA these updated plans as proposed permit modifications in the very near future.

The general approach of these plans is to prevent opportunities for exposure. Site access is carefully limited and controlled. The site is fully fenced and access is only available through locked gates. A number of potentially contaminated areas have been paved or covered with an engineered cover. Operating procedures are designed to protect workers and others on-site, by limiting the potential for releases. Furthermore, the facility is equipped with safety and emergency response equipment to control and manage any releases that might occur, to limit exposure.

4. A description of the procedures in place to assure that land use at the site remains appropriate for the environmental conditions (e.g., lease restrictions, etc.)

As described in item 1 above, property agreements have specific provisions to limit the tenants activities on site, so as not to hamper or interfere with ongoing corrective action or other RCRA requirements. Copies of portions of the lease and easement agreement with the two current tenants are provided in Attachments 1 and 2. This type of language is standard in any property agreement for the RCI Tacoma site.

In addition, it should be noted that, as a result of your conversations with John Oldham of RCI,

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RCI now recognizes that EPA has concerns about the storage of food products and medical supplies on site. In the future, RCI will not allow tenants to store food products and medical supplies in the warehouses on site. RCI agrees to this measure, even though these products are protected from contamination because they are typically in sealed containers. Furthermore, these containers are usually overwrapped and/or boxed, providing additional protection.

I hope that the provided information addresses your concerns. If you have any further questions, please contact me at 206-624-3214.

Sincerely,



Alan S. Jeroue
Tacoma Site Manager
Reichhold Chemicals, Inc.

cc: John Oldham/Reichhold Chemicals, Inc.
Carolyn Kossik/CH2M HILL
Melanie Field/CH2M HILL

Attachments:

- Attachment 1 - Excerpt from Lynden Transport Lease
- Attachment 2 - Excerpt from Weyerhaeuser Easement Agreement
- Attachment 3 - Security Plan
- Attachment 4 - Preparedness and Prevention Plan
- Attachment 5 - Contingency Plan

Figures:

- Figure 1 - Leased/Easement Agreement Areas and Hazardous Waste Management Units
- Figure 2 - Ongoing Corrective Actions - Cover Systems, Shallow Interceptor Drain, and Extraction Wells
- Figure 3 - Ongoing Corrective Actions - Shallow Corrective Action Monitoring Wells
- Figure 4 - Ongoing Corrective Actions - Intermediate Corrective Action Monitoring Wells
- Figure 5 - Ongoing Corrective Actions - Deep Corrective Action Monitoring Wells

Figures

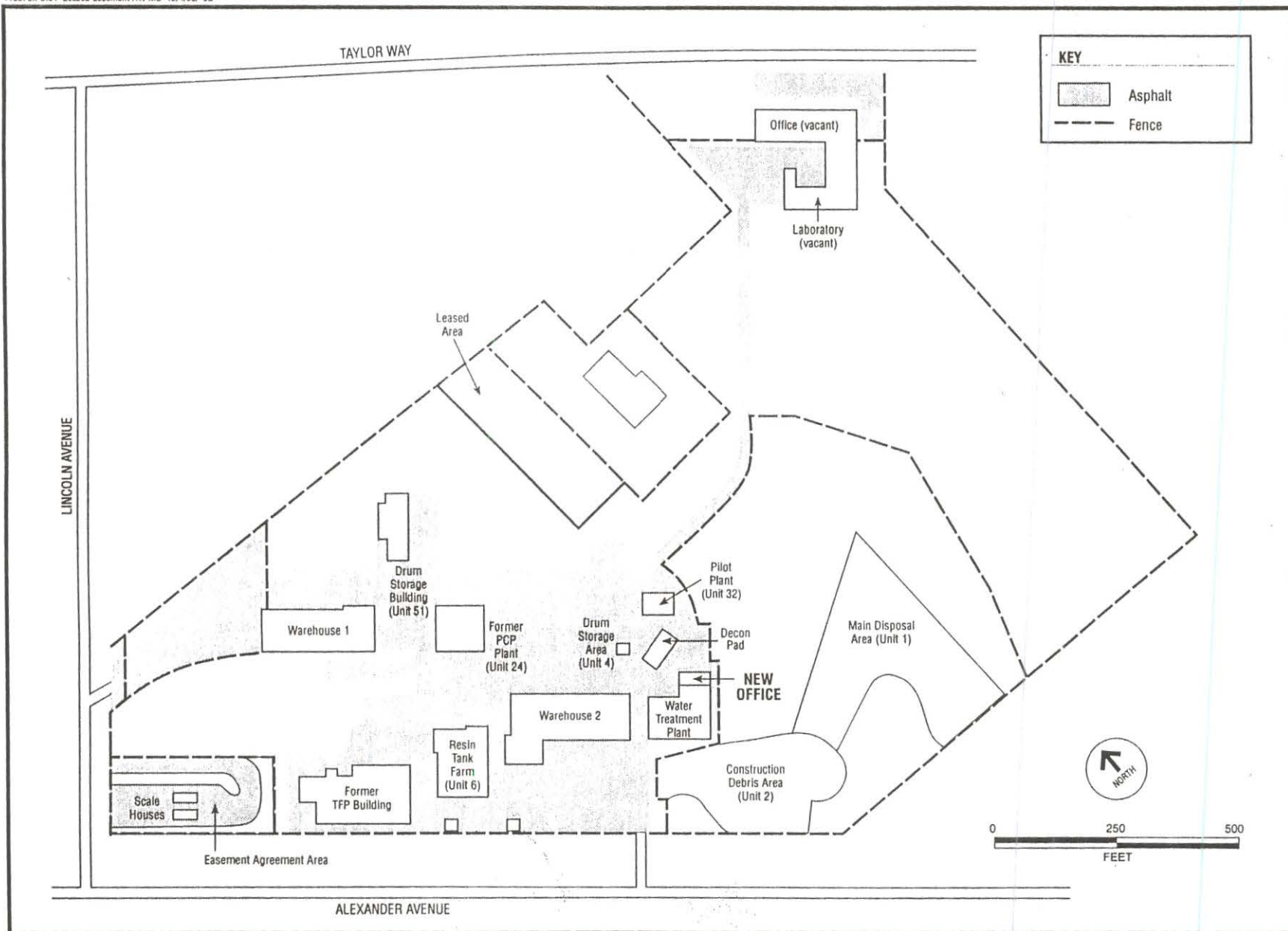


Figure 1
**Leased/Easement Agreement
 Areas and Hazardous Waste
 Management Units**

Reichhold Chemicals, Inc., Tacoma, WA

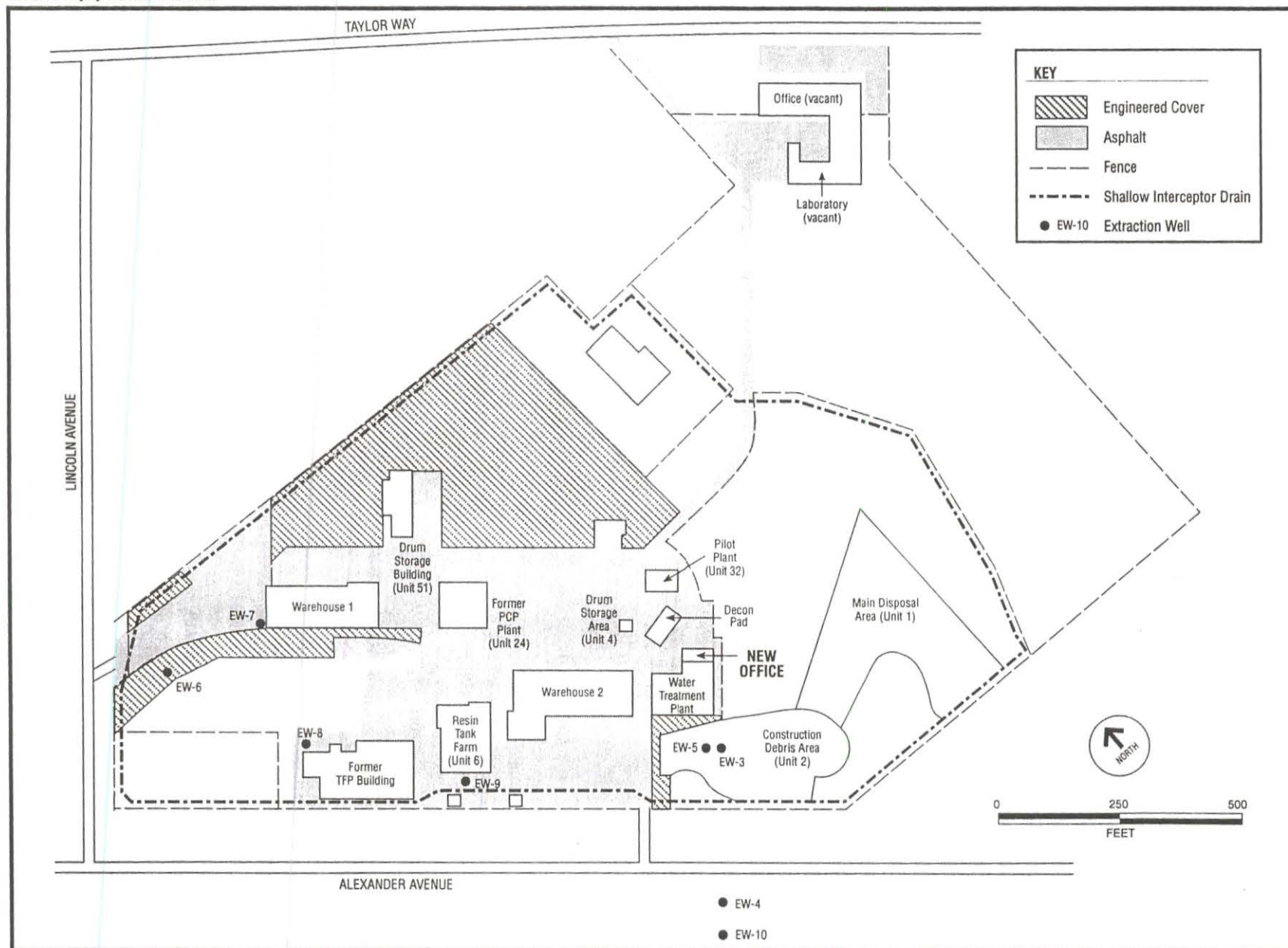


Figure 2
Ongoing Corrective Actions
Cover Systems, Shallow Interceptor Drain,
and Extraction Wells
 Reichhold Chemicals, Inc., Tacoma, WA

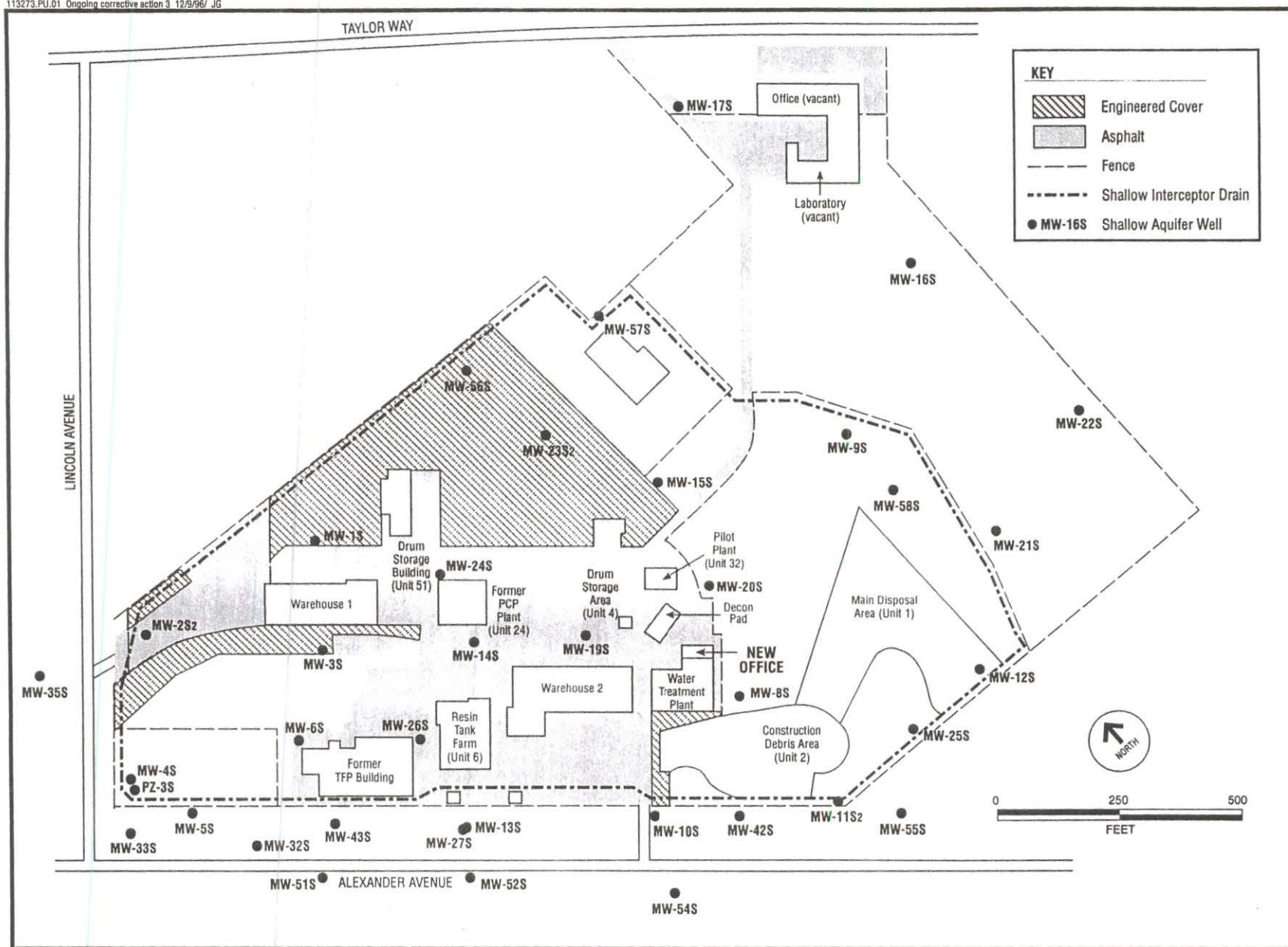
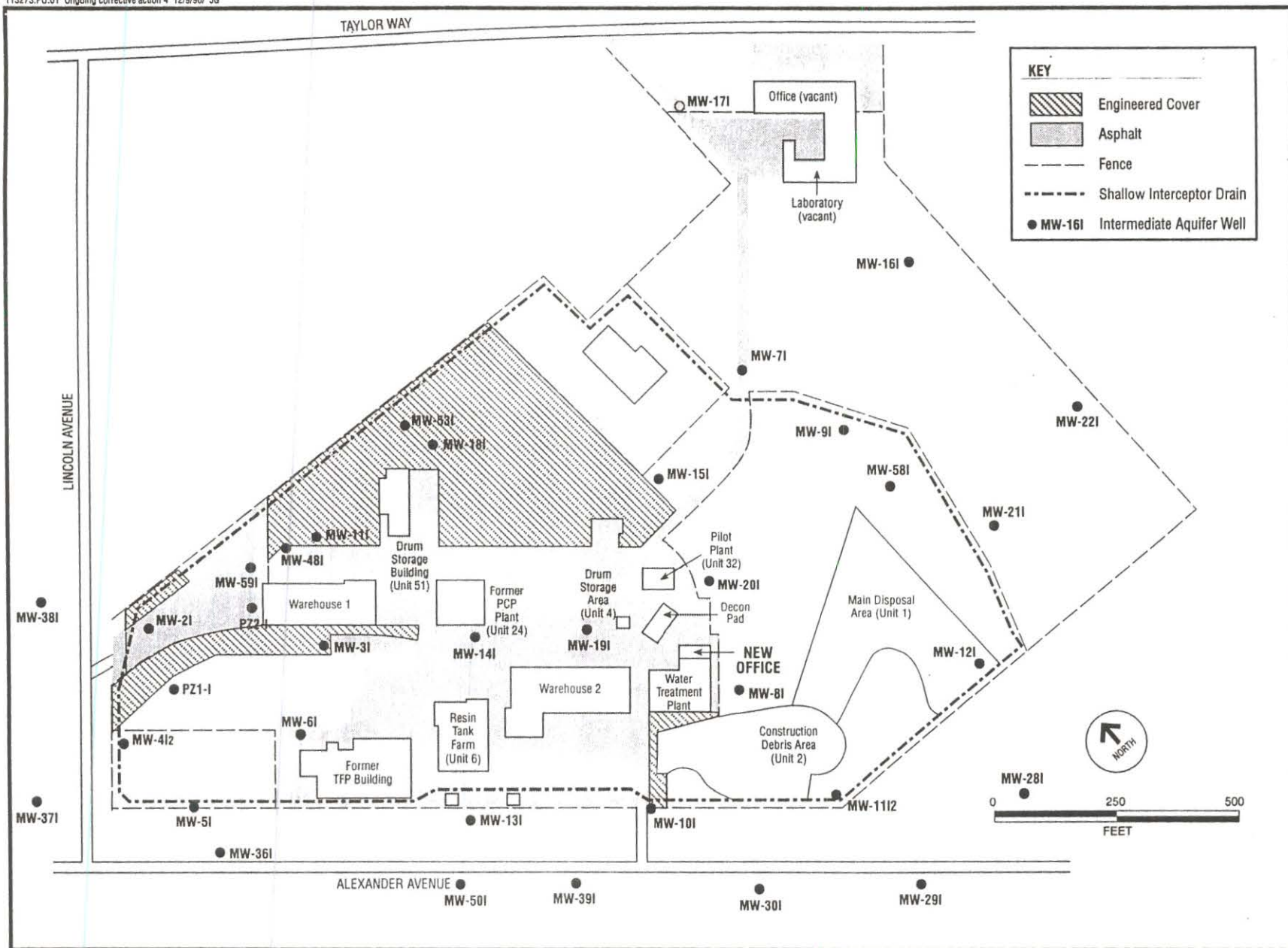


Figure 3
Ongoing Corrective Actions
Shallow Aquifer Groundwater Monitoring Wells
 Reichhold Chemicals, Inc., Tacoma, WA



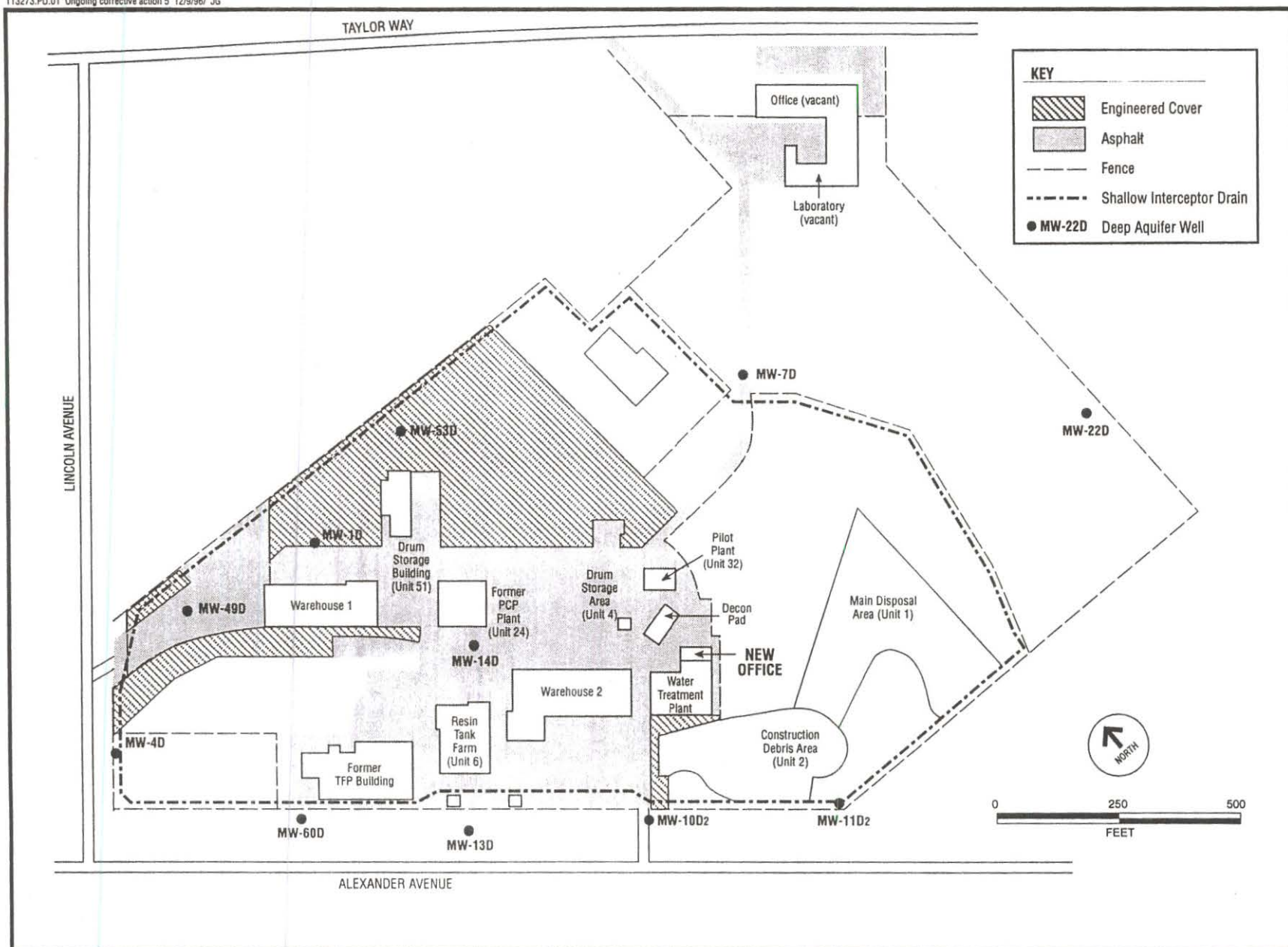


Figure 5
Ongoing Corrective Actions
Deep Aquifer Groundwater Monitoring Wells
 Reichhold Chemicals, Inc., Tacoma, WA

Attachment 1

Excerpt from Lynden Transport Lease

LICENSE AGREEMENT

between

REICHOLD CHEMICALS, INC.,
a Delaware corporation

and

LYNDEN TRANSPORT INC.,
an Alaska corporation

December __, 1994

2. Term; Termination of License

2.1 Term

The term of this Agreement ("Term") shall commence on December 1, 1994 (the "Commencement Date") and continue until terminated as provided in Section 2.2 of this Agreement.

2.2 Termination of License

During the Term, Licenser and Licensee shall have the mutual right to terminate this Agreement ("Termination Right"). Either Party shall exercise the Termination Right by delivering written notice thereof to the other no later than forty-five (45) days prior to the date of termination.

3. Consideration

As consideration for the License granted hereunder, Licensee agrees to pay Licenser the sum of Two Thousand Dollars (\$2,000) per month on the first (1st) day of each month during the Term of this Agreement to Licenser at Reichhold Chemicals, Inc., 2400 Ellis Road, Durham, North Carolina 27703-5543, Attn: Site Remediation Department.

4. Use

Licensee shall use the License Area for the purpose of storing empty flat bed trailers, storage containers, other equipment and uses reasonably ancillary thereto, and for no other purpose without Licenser's express prior written consent. Licensee agrees that it has determined to its satisfaction that the License Area may be used for the purposes described in this Agreement. Licensee shall not use or permit the License Area, the access rights or any part of them to be used in violation of any federal, state, county or municipal law, rule, regulation or ordinance.

5. Environmental Permits

5.1 RCRA Facility

(a) The Parties acknowledge that the License Area is a part of a "Facility" within the meaning of the Resource Conservation and Recovery Act (as amended by the Hazardous and Solid Waste Amendments of 1984) ("RCRA") and is the subject of RCRA permit WAD 009 252 891 (the "RCRA Permit"), a copy of which has been made available to Licensee for its review. Pursuant to the RCRA Permit, Licenser is obligated or authorized to conduct certain activities on the License Area, including, among other things, groundwater monitoring, taking interim

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corrective measures, taking final corrective action and treating and storing hazardous waste (collectively, "Clean-Up Activities"). Clean-Up Activities may include, but will not be limited to, construction and installation of facilities and equipment, alteration of the surface of the License Area, storage of equipment on the Property and operation of systems and equipment. Licensor shall at all times have the right to conduct Clean-Up Activities on the License Area and shall have reasonable access to the License Area as necessary or desirable for the proper pursuit of Clean-Up Activities. Licensor shall not unreasonably interfere with Licensee's use of the License Area.

(b) Licensee shall cooperate in good faith with Licensor's directors, officers, employees, agents, representatives and contractors with respect to their activities on the Property and License Area and shall not interfere with those activities. Licensee's cooperation shall include incidental participation by Licensee personnel at Licensee's sole expense in activities necessary for Licensor to comply with the RCRA Permit, including, without limitation, participation in government inspections, inspection of fire extinguishers in accordance with the RCRA Permit, attendance at meetings, compliance with security procedures specified in the RCRA Permit, and compliance with health and safety measures required by law or regulation or reasonably requested by Licensor.

(c) Licensee shall not have any reduction to or offset against the consideration due under this Agreement or be entitled to any damages or compensation as a result of Licensor's Clean-Up Activities including without limitation any related interference with Licensee's activities or any use of the License Area and/or Property by Licensor. Licensee waives any claim it may now or in the future have for loss, costs or damages arising out of, as a result of or related to Clean-Up Activities, either directly or indirectly. Notwithstanding the foregoing, if the License Area is rendered wholly unusable as a result of Clean-Up Activities for a period longer than thirty (30) consecutive days, and if Licensor is not able to provide alternate comparable space to Licensee elsewhere on the Licensor's site, the consideration shall abate until the License Area is no longer wholly unusable. Licensor shall use its best efforts to provide alternative space to Licensee elsewhere on Licensor's site if the License Area is rendered unusable as a result of Clean-Up Activities. Nothing in this paragraph or this License, however, shall limit Licensor's right to terminate this License as set forth in Section 2.2 above.

(d) Nothing in this Section 5.1 or this Agreement shall require Licensor to do or perform any Clean-Up Activities except to the extent, if any, required by Licensor's indemnification of Licensee set forth in Section 6.2 below.

indemnify and hold harmless Licensee from and against any and all liabilities, obligations, losses, judgments, costs, expenses and other damages (including, without limitation, reasonable attorneys' and consultants' fees, costs of cleanup or remediation) and all other damages or costs suffered by Licensee resulting from, arising out of or incurred with respect to the following events:

(a) Violation of any Environmental Laws by Licensor or any of its predecessors-in-interest;

(b) Any release or threatened release of petroleum, petroleum products, hazardous wastes, hazardous substances, pollutants or contaminants as defined in applicable Environmental Laws ("Hazardous Substances") on or from the Property that is related to the past, present or future activities of Licensor or any of its predecessors-in-interest; or

(c) Any generation, arrangement for transportation, arrangement for treatment or disposal or transportation of Hazardous Substances by or for Licensor.

6.3 Licensee's Activities and Obligations

(a) Licensee shall comply with all applicable governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of Hazardous Substances generated or released by Licensee, including requirements to notify governmental agencies in the event of a release.

(b) Licensee shall not cause or permit to occur any action, practice or omission involving Regulated Materials that may intentionally, or unintentionally, cause any violation or breach of the Environmental Laws. The burden and expense of complying with Environmental Laws rests solely with Licensee.

(c) Licensee shall immediately notify Licensor of any violation of this Section 6.

(d) Licensor and its agents shall have the right, but not the duty, to inspect the License Area and Licensee's activities on the Property at any time upon reasonable notice to determine whether Licensee is complying with the Environmental Laws. If during the course of Licensor's inspection or upon notice from any third party it is determined that Licensee has failed to fulfill any duty imposed by the Environmental Laws and Licensee fails to achieve compliance within a reasonable time, Licensor shall have the right, but not the obligation, to take any

(c) Any release or threatened release of Hazardous Substances from the License Area or Property by any invitee or licensee of Licensee or any person present on the License Area or Property in connection with the Business;

(d) Any generation, arrangement for transportation, arrangement for treatment or disposal or transportation of Hazardous Substances by or for Licensee;

(e) Any breach of the RCRA Permit or the NPDES Permit which directly results from the breach of any obligation of Licensee under this Agreement.

7. Condition of License Area; Maintenance, Return

7.1 License Area and Property AS IS

Licensee acknowledges that it has inspected the License Area and the Property prior to the execution of this Agreement, is satisfied with their condition and accepts the License Area and Property in their present condition, AS IS, WITHOUT WARRANTIES BY LICENSOR OF ANY KIND OR NATURE, EITHER EXPRESS OR IMPLIED.

7.2 Licensee's Obligations

Licensee shall keep the License Area in good, neat and clean condition in full compliance with applicable laws; shall make any changes therein required by governmental authorities, and pay all governmental fees due with respect thereto; and shall allow no nuisances to exist or be maintained. Licensee shall not commit waste or permit waste to be committed on or to the License Area.

7.3 Compliance with Laws

Licensee shall, at Licensee's sole cost and expense, promptly comply with all applicable laws, statutes, ordinances, rules, regulations and other governmental directives (collectively "Laws") now or hereafter in force which shall by reason of the nature of Licensee's use of the License Area impose any duty upon Licensee or Licensor with respect to the License Area or with respect to the use thereof. The judgment of any court of competent jurisdiction or the admission of Licensee in any action against Licensee (whether Licensor is a party thereto or not) that Licensee has violated any Laws, shall be conclusive of that fact as between Licensor and Licensee.

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not included

7.4 Surrender

Upon termination of this Agreement, Licensee shall return and surrender the License Area and all access rights, in good order and condition. Upon termination of this Agreement, Licensee shall remove its trade fixtures and equipment from the License Area, and shall remove any alterations or improvements made by Licensee that Licensor has designated for removal, repairing at its expense any damage caused by their removal. This duty shall survive termination of this Agreement.

8. Alterations and Improvements

Licensee shall not make any alterations or improvements in or to the License Area without first providing to Licensor the plans and specifications therefor and obtaining Licensor's prior written consent. All alterations and improvements shall be made at Licensee's expense and any cost incurred by Licensor as a result of such alterations and improvements shall be paid by Licensee. Licensee shall secure any and all governmental permits and consents required in connection with such work, including but not limited to permits and consents required by Environmental Laws, shall keep the License Area and the Property free from liens and shall indemnify, defend and hold Licensor harmless from any and all claims, suits, liabilities, damages, expenses and losses resulting from such work. All alterations and improvements to the License Area, except trade fixtures or other improvements installed by Licensee which can be removed or disassembled and except alterations and improvements that Licensor has required Licensee to remove, shall become the property of Licensor upon termination of this Agreement without any obligation of Licensor to pay Licensee therefor.

9. Taxes

Licensee shall pay before delinquency all personal property taxes on property and inventory of Licensee which is located or maintained on, or attached to, the License Area. Licensee shall provide to Licensor evidence of personal property tax payment made as required by this Section 9 promptly after such payment is due.

10. Access

Access to the Property and the License Area shall be from Lincoln Avenue. Licensee acknowledges that existing additional access from Alexander Avenue shall not be used by Licensee.

Attachment 2

Excerpt from Weyerhaeuser Easement Agreement

EASEMENT AGREEMENT

between

WEYERHAEUSER COMPANY
("Weyerhaeuser")

and

REICHOLD CHEMICALS, INC.,
a Delaware corporation
("Reichhold")

May 2, 1994

3. Use of Easement Area

Weyerhaeuser intends to use the Easement Area to conduct a log-scaling operation. Reichhold acknowledges that Weyerhaeuser's use will entail a heavy volume of log truck traffic through the Easement Area and in the vicinity of other properties owned by Reichhold. Provided Weyerhaeuser is in full compliance with its obligations under this Agreement, Weyerhaeuser may permit the Puget Sound Log Scaling Bureau, a non-profit corporation, to use the Easement Area for its log scaling activities during the term of this Agreement subject, however, to each of the terms and conditions set forth herein. Use of the Easement Area shall be in accordance with all applicable laws, ordinances and regulations.

4. Improvements and Alterations by Weyerhaeuser

In the Easement Area Weyerhaeuser may, at Weyerhaeuser's expense, clear trees, grade, construct a road, and install paving, fencing, utilities, scale ramps, platforms and portable buildings for the establishment of its scaling facility, subject, however, to Reichhold's prior written approval of the overall site plan for the improvements. Weyerhaeuser will obtain all necessary permits and governmental approvals for its improvements at its expense. Weyerhaeuser shall protect, indemnify and hold Reichhold harmless from any liens arising from the work performed on the Property or Easement Area and shall pay any taxes attributable to Weyerhaeuser's improvements.

5. Maintenance and Repairs

Weyerhaeuser shall maintain the Easement Area and all improvements to it in good order, condition and repair and shall keep it neat, clean, orderly and free of rubbish and those safety hazards that can reasonably be eliminated. All repairs necessary for Weyerhaeuser's purposes shall be performed by Weyerhaeuser at Weyerhaeuser's sole cost and expense. Weyerhaeuser will not permit waste of the Easement Area or Property.

6. Risk of Loss from Fire and Other Perils

Notwithstanding any provision of this Agreement to the contrary, neither party shall be liable for loss or damage to the other's property caused by fire or any of the risks enumerated in standard extended coverage insurance, to the extent that such insurance was obtainable at the time of such loss or damage.

12. Default; Early Termination; Attorneys' Fees

In the event Weyerhaeuser does not establish its facility and begin log scaling operations on the Easement Area on or before May 31, 1995, Reichhold shall thereafter have the right to terminate this Agreement by 30 days' prior written notice to Weyerhaeuser.

Weyerhaeuser shall have the right to terminate this Agreement at any time by giving Reichhold 30 days' advance written notice.

Either party may terminate this Agreement on no less than ten days' prior written notice if any of the following events of default is not cured before the effective date of such notice: the other party filing or having filed against it a petition under the bankruptcy laws, making of an assignment for the benefit of creditors, being adjudicated insolvent, failure to do or perform any of its obligations under this Agreement, or having a receiver appointed for or a judicial attachment of all or substantially all of its assets. The non-defaulting party shall be reimbursed for all reasonable costs (including attorneys' fees) incurred in seeking to enforce provisions of this Agreement.

13. Compliance with Laws and Rules

All rights granted to Weyerhaeuser in this Agreement shall be exercised in accordance with the requirements of all applicable statutes, orders, rules and regulations of any public authority having jurisdiction.

14. Work Standards

All work to be performed by Weyerhaeuser on the Property and Easement Area shall be completed in a careful, competent and workmanlike manner free of all claims or liens. Following any construction hereunder Weyerhaeuser shall remove all debris and shall replace any property corner monuments, survey references or hubs which were disturbed or destroyed by activities conducted by Weyerhaeuser or at Weyerhaeuser's direction.

15. Use of Easements

Weyerhaeuser shall conduct its activities under this Agreement in such a manner as to minimize any interference with existing and future surface uses of the Property by Reichhold, its tenants or assigns. Each party shall use its best efforts to mutually accommodate the other's requirements consistent with the rights reserved in this Agreement.